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August 1, 2011

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Application of South Carolina Electric & Gas Company ("SCE&G" or "the Company")  
for Approval to Revise Rates under the Base Load Review Act ("the Application")  
Docket No. 2011-207-E

Dear Jocelyn,

Attached please find the South Carolina Office of Regulatory Staff's ("ORS's") Report on SCE&G's Annual Request for Revised Rates. ORS reviewed the Application and conducted an on-site examination of the Company's books and records regarding the Company's capital expenditures and found the expenditures to be prudently incurred. Based on the information reviewed, ORS concludes the project is being constructed in accordance with the construction schedules and cumulative cost forecasts approved in Commission Order Nos. 2009-104(A) and 2010-12, and that the revenue requested by SCE&G should be reduced as shown in the Report.

Sincerely,

Shannon Bowyer Hudson

Enclosure

cc: K. Chad Burgess, Esquire (via electronic mail)  
Matthew W. Gissendanner, Esquire (via electronic mail)  
Debra Sherman Tedeschi, Esquire (via electronic mail)  
Damon E. Xenopoulos, Esquire (via electronic mail)